

MINUTES

Seattle City Employees' Retirement System Regular Board Meeting

Wednesday, July 1, 2009 – 9:00 a.m.
Pacific Building, 10th Floor

Present: Jean Godden; Mary Norris; Rod Rich; Lou Walter; and Frank Mathews (via telephone)

Absent: Dwight Dively, Mark McDermott

Also Present: Gwen Jensen (ARSCE); Walt North (ARSCE); Bill Kruller (ARSCE); Laurie Tish (Moss Adams); Kory Hoggan (Moss Adams); Rick Thorson (SAO); William Song (Song Mondress); Carlton Seu (City Attorney's Office); Cecelia M. Carter (SCERS)

Councilmember Jean Godden called the meeting to order at 9:04 a.m.

Public Comment: *there being none.*

Minutes:

Motion: Upon motion by Rod Rich, seconded by Lou Walter, the Retirement Board approved the minutes from the June 3, 2009 Retirement board meeting.

Ratification of Retired Payroll, Office Payroll, Other Payments and Withdrawals:

Information: The following items represent normal expenses and nothing extraordinary.

Service	\$ 7,948,468.10
Beneficiary	\$ 920,774.91
Disability	\$ 72,969.46
Pension Payroll – PPE June 30, 2009	\$ 8,942,212.47
Office Payroll – PPE May 12th & 26th, 2009	\$ 48,901.56
Vouchers Processed – May 31, 2009	\$ 246,804.98*
* \$144,403.36 Expert and Consultant Services	

Immediate Withdrawals of Contributions for the month of June 2009:

<i>Member</i>	<i>Department Name</i>	<i>Position</i>
Smith, Toccara A	Seattle Center	Usher
Lewis, Jennifer Lynne	City Light	Cook
Kerch, Elaine Violet Nettie	Personnel	Admin Specialist Assistant
Chin, Andrew	Library	Borrower services
Curry, Celia N	Seattle Center	Laborer
Demahy, Anita M	Parks	Administrative Assistant
Chan, Susanna P	Neighborhoods	Customer Service Representative
Ware, Julie A	SPU	Scale Attendant
Glenisky, Jeffery	Library	AMH System Operator
Loepker, Timothy Edward	City Light	Executive 2
Bean, Justin I	City Light	Lineworker

<i>Member</i>	<i>Department Name</i>	<i>Position</i>
Hawkins, Karama H	SPU	Muni Intern
Ybarra, Sonia Maria	Municipal Court	Court Clerk
Frank, Anna Marie Valdivia	Parks	Rec Attendant
Boyns, Brian G	Parks	Laborer
Arnold, Terri L	Parks	Supervisor
Sorg, Matthew J	Library	Student Librarian
Correos, Charlie R	City Light	Sr. Application Developer
Meekleson, James A	DPD	Housing/Zoning Tech
Roberts, Crystal L	Fire	Administrative Specialist 1
Mann, Shaun	City Light	Electrical Engineer, Associate

21 Withdrawals for a total of: \$ 254,215.46

Motion: Upon motion by Lou Walter, seconded by Mary Norris the Retirement Board ratified the Retiree Payroll, Office Payroll, other Payments and Withdrawals.

Ratification of Service Retirements:

Information: The following list represents the retirements that have been processed since the last Retirement Board meeting.

<i>Retiree</i>	<i>Retire Date</i>	<i>Years Service</i>	<i>Days Service</i>	<i>Department Name</i>	<i>Position</i>	<i>Age</i>
Barnes, Ray L	06/02/09	35	339	SDOT	Civil Engineering Spec, Sr	61
Bell, Essie L	06/01/09	23	320	Parks	Vested	58
Buffer, Marilyn J.	06/02/09	29	151	SPU	Water Treatment Operator	54
Campbell, Willie L	05/13/09	32	48	Parks	Naturalist	66
Crume, Jonathan W	05/13/09	10	182	SDOT	Truck Driver	62
Dawson, Karen H	05/15/09	20	13	Human Services	Vested	57
De La Fuente, M. Elizabeth	06/01/09	19	153	Library	Managing Librarian I	66
Douglas, Diana K	06/01/09	21	151	City Light	Vested	65
Jacobson, June A	06/10/09	25	287	City Light	Strategic Advisor I	59
Jones, Richard L	06/10/09	10	364	City Light	Info Technology Prof B-BU	62
Komedal, Neal Allen	05/06/09	22	78	Parks	Maintenance Laborer	59
Leighton, John Charles	05/05/09	20	245	City Light	Mat Sup	63
Lopez, Anthony L	06/02/09	25	12	SPU	Account Executive	62
Lush, Stephen D	06/10/09	20	44	City Light	Strategic Advisor 2	63
McDonald, Malvin A	06/10/09	15	8	DEA	Strategic Advisor 3	61
Miles, Terry Joe	05/01/09	10	155	Fleets & Facilities	HVAC Tech	58
Moreno, Linda D	05/26/09	30	162	SPU	Strategic Advisor 2 Exempt	51
Moua, Chia	05/07/09	26	318	K.C. Health	Health Care Assistant	60
Parker, Cathy L	05/16/09	1	0	Law	Vested	60
Peterson, Douglas H	06/10/09	25	203	SDOT	Truck Driver	63
Pierides, Rosario B	05/13/09	20	133	Parks	Admin Specialist I	58

<i>Retiree</i>	<i>Retire Date</i>	<i>Years Service</i>	<i>Days Service</i>	<i>Department Name</i>	<i>Position</i>	<i>Age</i>
Scott-Miller, Gwen	05/01/09	7	217	Library	Vested	60
Takemura, Ronald M	05/28/09	11	350	City Light	Vested	65
Tupou, Elone T	06/02/09	29	302	SDOT	Truck Driver	55
Zajanc, Jacqueline R	05/13/09	9	305	Library	Managing Librarian II	64

Motion: Upon motion by Lou Walter, seconded by Rod Rich, the Retirement Board approved and ratified the service retirements listed above, pending final review.

For the month of June: 27 new members entered the System, 25 retired from the System, 4 retirement continuations due to death of retiree, 1 retirement adjustments due to social security payments beginning and 44 others terminated City employment.

Ratification of Investment Transactions and Statement of Securities and Cash:

Information: Provided in the Retirement Board packet is the Investment Summary report that represents the transaction summary and the market value of the investments as of May 31, 2009. *(Attachment #2)*

- YTD Change 0.27%
- MTD Change 2.80%
- Estimated Funding 61.23%
- Asset Valuation \$1,520,973,273.00

Motion: Upon motion by Rod Rich, seconded by Lou Walter, the Retirement Board accepts the Investment Summary report.

Investment Committee Report:

Ms. Carter reported the next investment committee meeting will be held Thursday, July 30, 2009 in the Retirement Office.

Additionally, Ms. Carter reported from the June 25, 2009 Investment Committee meeting the following:

- The Investment Committee received a status report from Moss Adams regarding the 2008 annual audit of SCERS.
 - Audit will not meet July 1, 2009 deadline – additional days into July will be needed.
 - Audit will be available for August 5, 2009 Board meeting.
 - Audit progress hindered by late and lagged valuations from alternative asset managers.
- Investment Summary Report
 - See above
- Review of Status of Certain Fund Managers Requiring IRS Filings
 - It was determined in a relatively short timeframe that certain fund managers would be subject to FBAR filings.
 - IRS Form TD 90-22.1 was filed by the deadline on behalf of the identified fund managers.
- Review of BlackRock's acquisition of Barclays Global
 - The acquisition of Barclays Global by BlackRock will cause SCERS to evaluate its relationship with the two firms.
 - The combination of these two managers will cause risk concerns that SCERS will have approximately 28% of its assets with one manager.

- Due Diligence Report
 - Mr. Lou Walter reported on his due diligence visit to Dimensional Advisors in June. Dimensional Advisors manages approximately \$200 million in SCERS assets and its mandate is large cap domestic equity, small cap domestic equity, and small cap international equity. Mr. Walter reviewed his meetings with operations, compliance, and research. However, he did alert the Board to the fact that Dimensional Advisors is relocating its headquarters to Austin, TX and the impact this move could have on Dimensional's core management team. The Board agreed this was a matter to watch and follow.

Executive Director Report:

- 2009 Trustee Election
 - Rodney (Rod) Rich was not challenged during the nomination process. There was no need for a formal election.
 - Discussion ensued as to whether a vote is needed when a candidate is unopposed. Mr. Mathews reminded the Board that a policy was passed years ago that if a Board member is unopposed, a formal election would not be necessary to eliminate the associated cost with running an election. Other Board members concurred.

Motion: Upon motion by Frank Mathews, seconded by Lou Walter, the Retirement Board acknowledged Mr. Rich's re-appointment to the Board of Administration to serve the three year term ending June 30, 2012. Rod Rich abstained. Mary Norris opposed not having an election.

Motion: Upon motion by Lou Walter, seconded by Rod Rich, the Retirement Board voted to require notice of upcoming Board elections to be printed on the Annual Statement of Contributions to SCERS Members.

New Business:

Report from Moss Adams on 2008 Audit

- Ms. Laurie Tish presented to the Board a status of the 2008 Audit of SCERS financial statements
- The audit presentation will be delayed until the August 2009 Board meeting

Executive Session

The Board reserves the right to enter into executive session if necessary.

On motion of Jean Godden, seconded by Rod Rich, the Board went into Executive Session at 10:00 a.m.

On motion of Mary Norris, seconded by Lou Walter, the Board came out of Executive Session at 10:28 a.m.

Motion: Upon motion by Lou Walter, seconded by Rod Rich, the Board voted unanimously for legal counsel to present to Gregory Dean (through his legal counsel) the proposed resolution consistent with IRS tax qualification requirements regarding Mr. Dean's employee contributions, and the associated employer contributions from the City of Seattle Fire Department, to SCERS since 1970, including if necessary authority for legal counsel and staff to file a formal VCP submission with the IRS.

Adjournment:

Motion: Upon motion by Lou Walter, seconded by Rod Rich, the Retirement Board voted to adjourn the meeting at 10:30 a.m.

Mark McDermott, Secretary